DOCUMENT RESUME

ED 066 025 EM 010 102

TITLE	The FCC in Fiscal 1971.
INSTITUTION	Federal Communications Commission, Washington, D.C.
PUB DATE	71
NOTE	20p.
EDRS PRICE	MF-$0.65 HC-$3.29
DESCRIPTORS	*Agency Role; *Annual Reports; *Broadcast Industry; *Cable Television; Commercial Television; Federal Legislation; Government Publications; Mass Media; News Media; Radio; Telecommunication; *Television
IDENTIFIERS	Fairness Doctrine; *Federal Communications Commission

ABSTRACT

Fiscal 1971 saw major actions by the Federal Communications Commission (FCC) in all areas of its jurisdiction. In broadcasting, the FCC proposed new renewal rules and policies and issued a number of significant rulings on Fairness Doctrine matters. A policy statement outlining FCC cable television plans was submitted to the Congress. In the common carrier area, the FCC acted on computer communications and specialized common carriers and received applications for domestic satellites. The FCC advanced its program to provide additional land spectrum space for land mobile communications by establishing a Spectrum Management Task Force. A new fee schedule was adopted to return to the U.S. Treasury funds equal to the Commission's operating expenses. These highlights are summarized in this booklet, which also provides facts and figures about the number of authorized stations of various kinds under the FCC's authority. (JK)

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FCC IN FISCAL 1971

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EM 010 102

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Members of the Federal
Communications Commission
as of June 30, 1971

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(Term expires June 30, 1976)
Robert T. Bartley
(Term expires June 30, 1972)
Robert E. Lee
(Term expires June 30, 1974)
Nicholas Johnson
(Term expires June 30, 1973)
H. Rex Lee
(Term expires June 30, 1975)
*Robert Wells
(Term expires June 30, 1977)
*Thomas J. Houser
(Term expired June 30, 1971)

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*See page 15

The Federal Communications Commission

The Federal Communications Commission was established by Congress in 1934 with passage of the Communications Act and is responsible directly to Congress.

The Commission is an independent Government agency charged with regulating interstate and foreign communications by radio, television, wire and cable. It is also responsible for orderly development and operation of broadcast services, and for rapid, efficient, nationwide and worldwide telephone and telegraph service at reasonable rates. Other functions include the protection of life and property through radio, and the use of radio and television facilities to strengthen national defense. The Commission's jurisdiction covers the 50 States, Guam, Puerto Rico and the Virgin Islands.

The FCC is directed by seven Commissioners, appointed by the President and confirmed by the Senate for seven-year terms. The President also designates one of the Commissioners to serve as Chairman. The length of a Commissioner's service as Chairman is decided by the President.

The Chairman is the general administrator of the Commission's internal affairs, aided by the Executive Director. The Commissioners supervise all FCC activities, delegating responsibilities to staff units and bureaus and to committees of Commissioners.

The Commission consults with other Government agencies and departments on both national and international matters concerning wire and radio communications, and with State regulatory commissions on telegraph and telephone matters.

All broadcast services (commercial and educational AM, FM and TV) are regulated by the Commission. It issues construction permits and licenses for such services. It also assigns frequencies, sets operating power, designates call signs, inspects and regulates the use of transmitting equipment. Although the Commission is forbidden to censor programs, each licensee is required to show that he operates in the public interest, convenience and necessity under the terms of the Communications Act. The Commission reviews the overall performance of a station to assure that the licensee has carried out promises made when the station license was issued. This review is usually conducted at license renewal time, normally every three years. Changes in ownership and major technical changes also require Commission approval.

Cable television is also regulated by the Commission. Systems are required to notify the Commission when they plan to begin operation. They must carry and not duplicate all local signals and may be required to show that their operations would not have adverse impact on local broadcast stations. Television networks may not own CATV systems, local television stations may not own systems within their markets; and telephone companies or their subsidiaries may not own systems within their local service areas.

The Commission regulates common carrier operations, including telephone, telegraph, cable, microwave and satellite communications. It licenses and assigns operating frequencies for radiotelephone and radiotelegraph circuits, and oversees charges, practices and classifications of service for common carriers. The Commission acts on requests for mergers, considers applications for construction of facilities and changes in service, and prescribes and reviews accounting practices.

The Commission licenses and regulates all forms of two-way radio, including ship and aviation communications, a wide range of public safety and business services, and amateur and citizens radio services.

The FCC is responsible for domestic administration of the telecommunications provisions of treaties and international agreements. Under the auspices of the State Department, the Commission takes part in international communications conferences.

The FCC supervises the Emergency Broadcast System (EBS) designed to alert and instruct the public in matters of national or civil defense. State EBS units use the system in local emergencies.

The FCC in Fiscal 1971

Fiscal 1971 saw major actions by the FCC in all areas of its jurisdiction.

In broadcasting, the Commission proposed new renewal rules and policies and issued a number of significant rulings on Fairness Doctrine matters.

Cable television activity was highlighted by the Commission's series of unique panel-type hearings in the Spring of 1971. In August, a policy statement outlining FCC cable plans was submitted to the Congress.

In the common carrier area, the Commission acted on computer communications and specialized common carriers, and received applications for domestic satellites.

The Commission advanced its program to provide additional spectrum space for land mobile communications by establishing a Spectrum Management Task Force.

A new fee schedule was adopted to return to the U. S. Treasury funds equal to the Commission's operating expenses.

These are among the highlights of the Commission's actions during fiscal 1971, summarized on the following pages under specific headings.

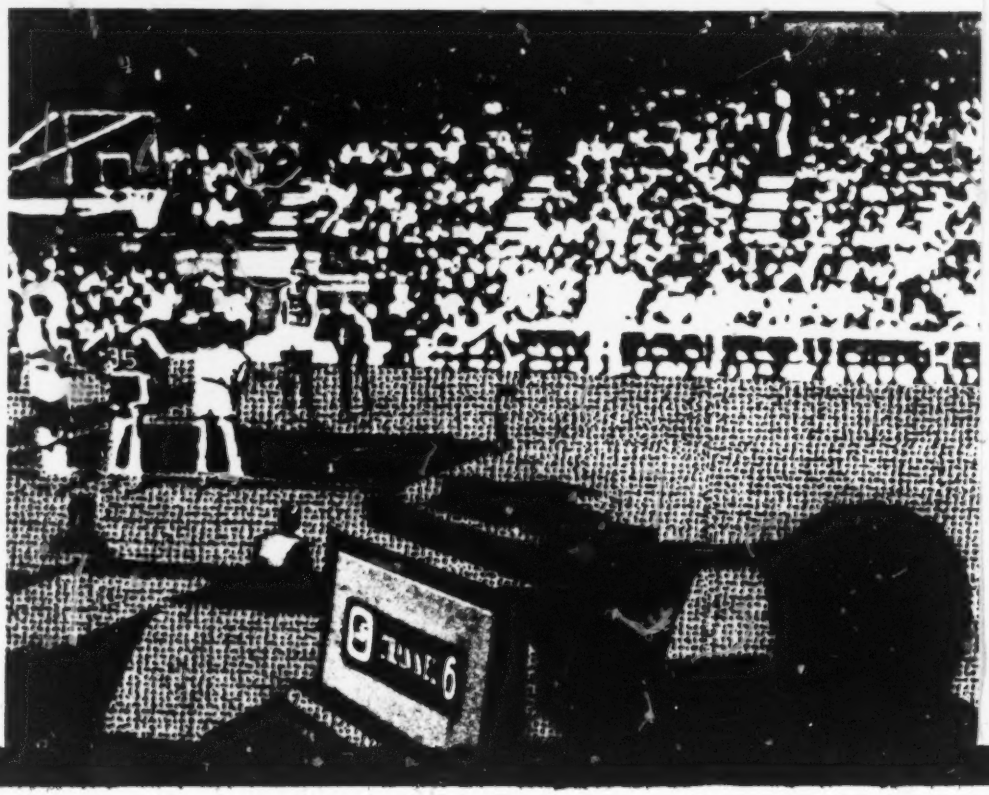
Broadcasting

General

There were 7,948 broadcasting stations on the air and operating as of June 30, 1971. There were 4,343 AM, 2,250 FM and 461 educational FM radio stations. The number of commercial VHF stations was 512, commercial UHF 183, educational UHF 114 and educational VHF 85. The totals for commercial stations include 25 educational stations operating on AM frequencies, 15 on nonreserved FM channels four on nonreserved UHF-TV and four on nonreserved VHF-TV channels.

The television broadcasting industry reported revenues of $2.81 billion in 1970, four-tenths of one percent higher than 1969. Expenses increased five percent and profits before taxes were $454 million—down 18 percent from 1969.

Radio broadcasting revenues for networks, AM, and FM stations in calendar year 1970 were $1,136.9 million—up more than 4.7 percent from 1969 but radio profits declined 7.9 percent to $92.9 million. The seven nationwide radio networks (CBS, MBS, NBC, and ABC's three AM networks and one FM network) reported losses of $5.5 million in network operation compared to losses of $6.3 million in 1969. The networks' owned-and-operated stations reported profits of $4.7 million compared to $4.2 million in 1969 and revenues in 1970 of $53.0 million, up 6.1 percent from the previous year. Total time sales of the seven major networks, their network owned-and operated stations, and 4,189 other AM and FM stations increased nearly 4.7 percent to $1,256.8 million in 1970.



Controversial Issues of Public Importance

The Commission announced plans for its first comprehensive review of the Fairness Doctrine since release of its 1949 **Report on Editorializing by Broadcast Licensees.**

The Commission declined to apply Fairness Doctrine obligations to the broadcast of advertising of commercial products. It ruled, however, that commercials, which advanced the need for developing Alaskan oil reserves and denied adverse ecological effects, raised controversial issues and therefore were subject to fairness obligations.

In response to a petition from the Democratic National Committee, the Commission found that significant political parties have a right to purchase time to solicit funds but it refused to require broadcasters to sell time for discussion of public issues.

In another case, the Commission ruled that, although the networks' coverage of the Indochina war was otherwise roughly balanced, five uninterrupted prime time appearances by the President on the issues created an obligation to provide a reasonable opportunity for expression of contrasting views.

When CBS granted time to the Democratic National Committee in accordance with that ruling, the Commission found that the broadcast was not responsive to issues raised in the President's addresses but was primarily "party-oriented." The FCC ruled that the Republican National Committee should therefore be given time by CBS to respond.

Political Broadcasting

The Commission instituted revocation proceedings against two radio stations for allegedly censoring the material of political candidates and failing to afford equal opportunities to candidates, in violation of Section 315.

A revised edition of the public notice **Use of Broadcast Facilities by Candidates for Public Office** ("political primer") was issued for the guidance of licensees, candidates, and other interested parties.

A political broadcasting survey of the 1970 political campaign revealed an 85 percent increase in expenditures over the previous nonpresidential campaign year, 1966. The amount spent for the general election campaigns substantially exceeded that in the primaries, and the trend to purchase of spot announcements as opposed to program time continued.

Multiple Ownership

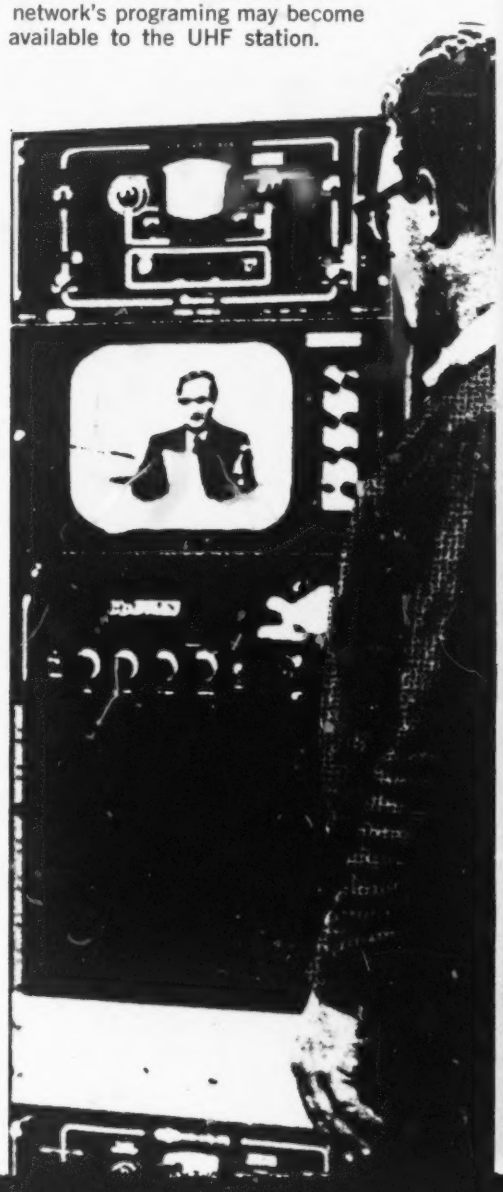
In February 1971, the Commission, responding to petitions for reconsideration, deleted the "one-to-a-market" rules forbidding cross-ownership of AM and FM stations in the same market. (The Commission indicated that it planned further study of AM-FM combinations.) Additional time was allowed for filing reply comments on the proposed prohibition of cross-ownership of newspapers and broadcast stations in the same market.

The Commission authorized the Broadcast Conglomerate Study Task Force to proceed with a general inquiry into ownership of broadcast stations by persons or entities with other business interests (Docket 18449) after completion of the pilot study, begun in December 1969, to explore issues raised by the ownership of broadcast stations by companies with major nonbroadcast interests. In February 1971, questionnaires, revised in light of experience with the pilot study, were sent to 31 broadcast conglomerates.

Television Broadcast Service

In the proceeding to limit TV networks' control over programing (prime time rules), the ownership and distribution rules were stayed pending judicial review. The Court of Appeals affirmed the rules in May 1970. Waivers of the "prime time access" rule (limiting network prime time programing to three hours) were granted to ABC and NBC permitting them to exceed the three-hour limit on Tuesday and Sunday nights, respectively, but network time would still average three hours per night. Arrangements were also made to have "prime time" network programing begin at 8 p.m. on five nights per week and at 7:30 p.m. on Sundays and Tuesdays, Eastern Time.

In markets with two VHF stations and one UHF station, the Commission adopted rules limiting the VHF stations to one primary network each so that the third network's programing may become available to the UHF station.



Effective July 1, 1971, an unaffiliated station in a market will have access to network programs not placed with an affiliate before programs are offered to any other network's affiliates. The unaffiliated station, however, must have reasonably comparable facilities.

In January 1971, the Commission undertook an inquiry into children's television programing.

Four subscription television (STV) applications are now on file. Rules were proposed to change STV and CATV rules to prohibit the broadcast of live sports events presented on a regular basis over conventional TV during the preceding five-year period.

Rules were adopted to insure comparability of VHF and UHF tuning, although full compliance is not scheduled until the end of fiscal 1973.

Applications for UHF translators on Channels 21 through 69, originally accepted, were later restricted to Channels 55 through 69 because of interference potential on the lower channels.

Rules were changed to ease the process of applying for TV translators, and, in January 1971, changes in the TV translator rules were proposed to harmonize them with the newer FM translator rules.

In December 1970, the Commission adopted a public notice for visual cues in emergencies for TV viewers with impaired hearing.

Radio Broadcast Service

The number of commercial FM stations continued to increase during the year. Authorization of new low-power class A stations outnumbered higher-power class B and class C authorizations by more than 2 to 1. An increasing number of competing applications were designated for hearing.

Educational Broadcasting

TV and radio educational broadcasting continued to expand as a result of the Public Broadcasting Act of 1967 and organization of the Corporation for Public Broadcasting early in 1969.

The number of Instructional Television Fixed Service (ITFS) stations in use by schools almost doubled.

A new class of ITFS educational services was established.

There were 127 ITFS systems with 371 channels operating at the end of fiscal year 1971—an increase of 21 systems and 116 channels over the previous year.

More than 80 percent of the Nation's population is now served by educational television. All but four States have one or more stations on the air.

The total number of educational radio stations grew 58 percent in fiscal 1971. The largest number of stations were licensed to colleges and universities.

Broadcast Auxiliary Service

Auxiliary broadcast services have more than doubled between 1965 and 1971 to meet the growing demand for facilities for on-the-spot coverage of events. At the close of the year, authorizations had been granted for more than 15,000 auxiliary broadcast facilities of various types.

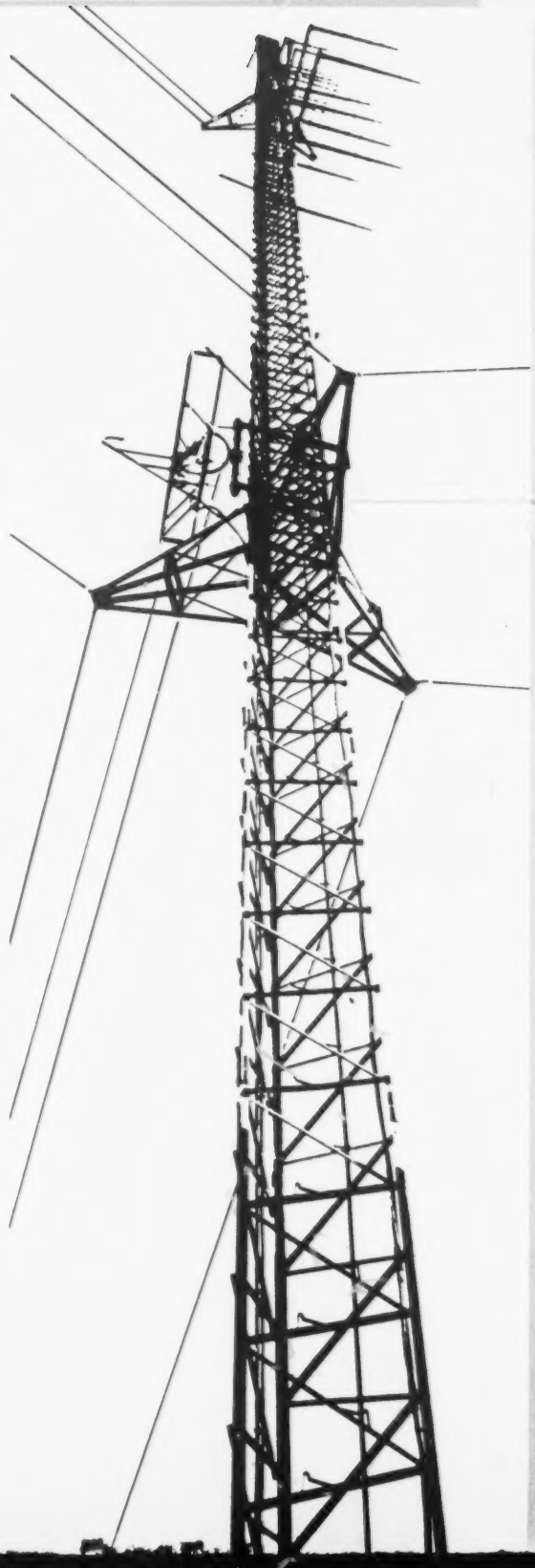
International Broadcast Service

Two petitions for waiver of the freeze on international broadcast stations were denied. One was for a new station and the other was to increase daily broadcast time. Both applications for facilities were retained pending resolution of international broadcast rules.

Broadcast Administration

The Commission ruled that licensees may change entertainment programing of special interest to minority groups as long as they continue to present news and public affairs programing of interest to the groups in question. In one case, a station had switched from "soul" to middle-of-the-road music, and another had switched from middle-of-the-road to "soul" music.

In a number of rulings, the Commission clarified its policy defining programs entirely commercial in content. It said that a pattern of



program length commercial presentations would be considered to raise questions as to whether the licensee was operating in the public interest.

The Commission also warned licensees against airing sirens and other alarming sound effects in announcements.

In a public notice, the Commission reminded licensees of their responsibility to review records before broadcast.

Renewals

In fiscal 1971, some 50 petitions to deny license renewals were filed, primarily by community groups in connection with programing for minorities, or employment practices.

Rules proposed by the Commission to increase communications between licensees and the communities they serve included:

—Public notification, over the station, of pending renewal for six months prior to expiration of license;

—Announcements over the air concerning FCC renewal policies and public availability of the station's renewal application. The application would be on public file for 120 days instead of the presently required 90 days;

—An annual report, filed with the FCC, listing what the licensee considers the most significant community problems and his programing dealing with them.

New forms were adopted to ascertain the licensee's affirmative actions in hiring and employment of racial minorities.

In February 1971, a new **Primer on Ascertainment of Community Problems by Broadcast Applicants** was adopted.

Broadcast Advertising

The Commission directed ABC and NBC to inform viewers, by means of specific announcements on quiz and audience-participation programs, when producers had accepted payment by suppliers of prizes to use in promoting their merchandise on the air.

Assignments and Transfers

One significant transaction, the $110 million purchase by Capital Cities Broadcasting Corporation from Triangle Publications, involved nine AM, FM, and TV stations. Capital Cities retained three TV stations and disposed of the six AM and FM stations to separate buyers, in part to comply with the one-to-a-market proceeding. Capital Cities also disposed of two previously-held TV stations.

Another large transfer resulted from the merger of Corinthian Broadcasting Corporation and Dun & Bradstreet, Inc.

Technical Developments

In April 1971, the Commission consolidated the proceeding to modify propagation curves with one proposing procedural changes in measuring signal strengths. (Propagation curves are used to predict signal levels and contours to determine a station's coverage area.)

In March 1971, the Commission adopted amended rules for remote control of both UHF and VHF TV broadcast stations.

The Commission proposed easing rules on operator qualifications in July 1970.

In January 1971, rules on directional antennas used by standard broadcast stations were substantially revised. Work is proceeding on institution of computer studies of interference.

Rules were adopted, in September 1970, to provide for FM broadcast booster and translator stations.

International Agreements

Members of the FCC staff met with Canadian officials to explore mutual FM broadcast problems.

A second staff meeting was held with Mexican authorities to develop technical standards and tables of channel allotments along the common border area.

Amendments to the North American Regional Broadcast Agreement (NARBA) went into force in November 1970. They will remain in effect for five years unless terminated on one year's notice.

Enforcement

The Commission instituted renewal hearings on 20 applications and seven construction permits—a record number. They involved alleged rule violations, and qualifications of licensees and permittees. It also denied license renewal to eight stations in cases designated for hearing in prior years. Probationary short-term renewals were granted to ten applicants, and there were 142 forfeiture actions involving broadcast licensees. Field investigations were conducted of 52 stations.

A New York station was admonished for allowing programing purporting to give tips on winners in the illegal numbers game in New York City.

One station was given a short-term license renewal and three others cited for improper use of audience surveys.

Two licensees were given short-term renewals and others were admonished for using broadcast facilities to serve the private interests of their employees or to gain unfair competitive advantage in nonbroadcast business ventures.

The number of complaints, comments and inquiries received on broadcast matters totalled 53,503, a substantial reduction from the previous year. Complaints and inquiries based on the Fairness Doctrine and the provisions of Section 315 (equal opportunities for political candidates) increased substantially. A total of 3,666 complaints, comments and inquiries on these and related subjects was received, compared to 2,722 in fiscal 1970.

Fees

On July 1, 1970, a fee schedule was adopted by the Commission with the goal of making its activities self-sustaining. During the year, portions of the schedule pertaining to broadcasting were clarified. The Commission ruled that, in license assignments or transfers, amounts paid to consultants or for noncompetitive agreements would be regarded as part of the sale price upon which the fee is levied.

All fees for translators were abolished.

Cable Television

Cable television is the system in which TV signals are received at a central point and then amplified and redistributed by cable to subscribers' TV sets for a fee. Originally developed to bring TV signals to areas distant from TV stations, it has since spread to large cities and other localities where, because of tall buildings or for various technical reasons, signal reception is poor.

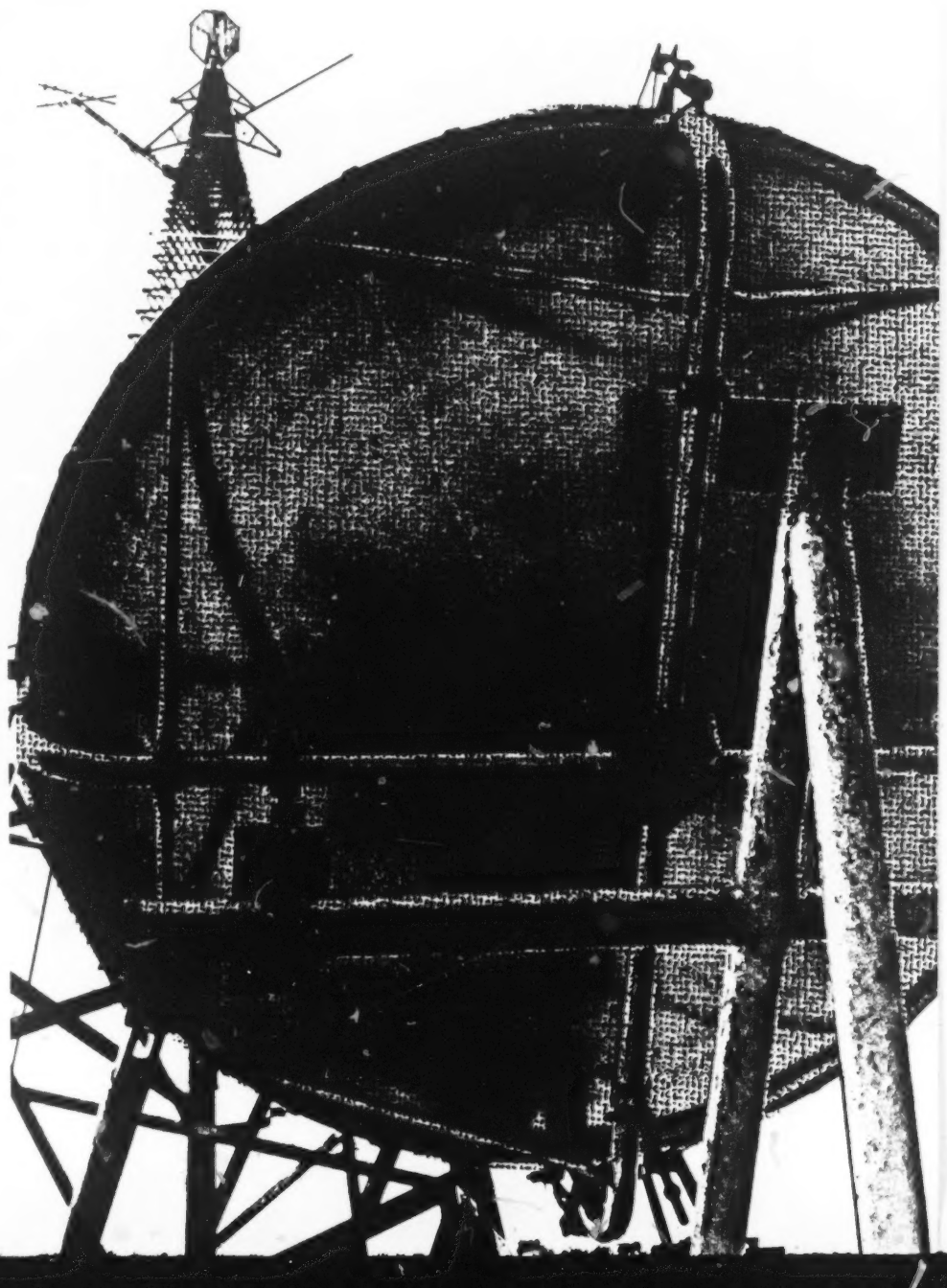
As of May 13, 1971, there were 2,573 cable television operations serving 4,000 communities and more than 5 million homes in the United States, an increase of some 2.2 million since January 1, 1968.

Beginning March 11, 1971, the Commission held oral argument on proposed rules (issued in June 1970) on the future of cable. In a departure from regular procedure, eight panels, composed of recognized spokesmen for various groups that would be affected by the rules, were heard by the entire Commission, providing "an interplay of informed viewers."

In Congressional hearings, the Commission agreed not to finalize proposed FCC rules until Congress had an opportunity to study them. Regulatory proposals for cable were submitted to Congress by the FCC on August 5, 1971, with a proposed effective date of March 1, 1972.

Among other things, the Commission proposed that local TV broadcast signals within a 35-mile radius of a cable system must be carried; and the number of TV signals to be imported would be determined by market size, with special provisions for UHF stations and educational stations. Another proposal would require cable systems in the top 100 markets to provide a nonbroadcast channel for each broadcast signal carried and a free "public access" channel, an educational channel, and a channel for State and local government use. Cable systems would be required to provide "at least minimal production facilities" for public use. Setting of technical standards to assure good reception for the public was also recommended. The Commission recognized the need for Congress to set copyright guidelines for cable systems.

April 1, 1971, was set by the Commission as the effective date for cable systems with more than 3,500 subscribers to begin originating programs. In May, however, the U.S. Court of Appeals for the Eighth Circuit held that the program-origination requirement exceeded the Commission's statutory authority. The FCC announced it would appeal this decision to the Supreme Court, meanwhile suspending the requirement for cablecasting.



In December 1970, Hughes Aircraft Company filed an application with the FCC for a domestic satellite system to further development of a cablecast network.

On August 5, 1970, the Commission approved the merger of TelePrompTer Corporation, the Nation's fourth largest cable operator, and H & B American Corporation, operator of the largest system.

Rules similar to those now applicable to broadcast and common carrier licensees, requiring nondiscrimination in employment practices, were proposed for cable systems and their relay stations.

At the beginning of the fiscal year, a fee schedule was set, requiring annual payment to the FCC of 30 cents per subscriber by cable systems.

Common Carrier Services

General

Common Carrier Services involve the provision of wire or electronic communications services for hire. They include such facilities as telephone, telegraph, facsimile, telephoto and broadcast program transmission by wire, cable, radio and satellite for public use.

The Commission regulates interstate and foreign communications of common carriers. It does not regulate purely intrastate wire services; they come under the authority of State utility commissions.

Telephone

At the end of calendar 1970, there were 77 telephone carriers fully subject to FCC jurisdiction, including 56 with annual revenues of $1 million or more. These 56 companies had operating revenues of $18.2 billion in 1970 and gross plant investment of $59.9 billion at the end of 1970. These companies reported 104.9 million telephones in service.

As a result of revised separations procedures adopted by the Commission on October 27, 1970, annual telephone company revenue requirements of about $130 million were transferred from intrastate to interstate operations.

The Commission ordered AT&T to provide the Corporation for Public Broadcasting with a 71-point interconnection network by March 1972, and a 110-point network by January 1, 1973. Charges are to be based on incremental cost to the carrier.

On January 14, 1971, AT&T filed revised message toll telephone (MTT) tariffs (interstate rate changes) which provide a gross increase in net earnings before income taxes of $250 million annually. Of this amount, $175 million represents an estimated increase in revenues and the balance of $75 million represents associated cost savings. The MTT rate levels of AT&T are the subject of a current investigation (Docket 19129).

An Industry Advisory Committee was established to develop a standards program related to interconnection of certain customer-owned equipment. Two subcommittees have been established—Technical Standards and Procedures and Enforcement.

In cooperation with the depreciation subcommittee of the National Association of Regulatory Utility Commissioners, a depreciation manual for use by small telephone companies is being prepared.

During the fiscal year, the Commission authorized over 400 telephone projects to extend or supplement wire and microwave facilities at a total estimated cost of $351.5 million.

Telegraph

Western Union had total operating revenues in calendar 1970 of $402 million. The company's gross investment in plant facilities totalled $1.03 billion as of December 31, 1970.

The Commission authorized Western Union to acquire the Teletypewriter Exchange (TWX) Service of the Bell and independent telephone companies. Western Union began operation of the TWX service on April 1, 1971.

On February 9, 1971, the Commission granted Western Union rate increases of about $21 million annually.

Subsequent to this decision, Western Union filed for additional rate increases of $35 million annually, effective in July 1971.

Western Union employees went on strike June 1, 1971. The strike, which lasted until July 28 nationally, resulted in emergency discontinuance of the company's public message service.

Domestic Common Carrier Radio Services

More than 12,200 applications were filed for new, modified or renewed domestic common carrier radio facilities during fiscal 1971.

The Commission adopted a policy of increased competition among existing and new common carriers in the sale of data transmission and other specialized communications services to the public. As of March 15, 1971, there were 33 new carrier applicants proposing facilities estimated to cost well over $500 million.

In fiscal 1971, more than 150 applications were filed requesting authority to construct and operate ground stations in the Air-Ground Radiotelephone Service.

International Communications

Industry revenues from overseas telecommunications (except Comsat) totalled $487 million in calendar 1970, an increase of 7 percent over 1969. Of the 1970 total, telephone carriers reported $265.7 million in revenues from overseas service and the record carriers, $221.3 million.

In the last quarter of calendar 1970, rates for telephone service between Hawaii and the mainland were reduced approximately 13 percent. This reduction was in addition to a cut of 15 percent in March 1970.

AT&T was authorized to file an application for a transatlantic cable with 3,500 circuits, to become operational in 1976.

Communications Satellites

The global satellite system continued to expand in fiscal 1971. As of June 30, 1971, there were 47 earth stations with 55 antennas in 34 countries.

For calendar 1970, Comsat reported operating revenues of $69.6 million, an increase of 48 percent over 1969.

There were 8 applications filed during fiscal 1971 to establish and operate domestic communications satellites.

Safety and Special

Safety and Special Radio Services include about 50 different kinds of two-way radio communications used by industry, State and local governments, business and private groups of various kinds, and individuals. These services make up the largest group regulated by the Commission.

There were 1,745,709 stations licensed in the Safety and Special Radio Services at the end of fiscal 1971, employing 8,858,222 transmitters of various types. A total of 432,693 applications was received in these services during the fiscal year.

Standards and regulations for private land mobile operations were adopted providing for sharing of one or two of the lower seven UHF-TV channels (14-20) in the ten largest urban areas.

Rules for expanded use of remote control and digital signaling devices using low power transmitting equipment were adopted in the Business Radio Service. Rules were proposed to permit tone signals or digital techniques throughout the Public Safety, Industrial and Land Transportation Services on all land frequencies, and to permit non-voice lower power remote control devices in the 72-76 MHz band for the Railroad and Special Industrial Services.

Licensing and operating standards were adopted for use of radio call boxes and telephone-type installations for motorists, as a part of a nationwide highway safety radio communications program.

Eligibility in the Special Emergency Radio Service was expanded to include local medical societies that provide members with communications on nonprofit cost-sharing basis.

The Commission proposed uniform practices and procedures for licensing sharing arrangements for mobile station facilities in several of the services. It also proposed rules to permit sharing of private microwave systems on a reciprocal basis.

Five-year license terms were set for Safety and Special Radio Services.

Single-sideband frequencies were adopted for maritime mobile service, and auxiliary power sources were required for vessels on the Great Lakes.

Waiver of eligibility requirements in the Local Government Service was granted to the Metropolitan Regional Council, Inc., a nonprofit corporation, to operate a "first of its kind" intergovernmental video communications network in the 10,000 square-mile New York, New Jersey and Connecticut area.

Subject to the needs of Safety and Special Radio operations, CATV operations in the Business Radio Service were permitted to continue on a renewal basis until February 1, 1976.

Signal boosters are now permitted for air terminal base station use in the Business Radio Service.

Rules requiring single sideband operations (SSB) in medium and high land mobile frequency bands were adopted in the Industrial Radio Service and proposed for the Public Safety Radio Service. The changeover to SSB from double sideband (DSB) will provide additional radio channels, reduce interference and conform voice emissions to those in other radio services in the same part of the spectrum.

Technical standards for computation of service areas for public coast Class III-B stations were proposed.

Field Engineering

The Field Engineering Bureau operates 24 district offices and four suboffices, two marine offices, 18 monitoring stations, three mobile TV-FM enforcement units and six microwave units in its administration and enforcement of regulations and treaties relating to radio communications. The Bureau issued a total of 38,769 infraction reports in fiscal year 1971, and detected 4,880 unlicensed stations.

Engineers at field offices conducted 15,628 inspections of radio stations in all the services. In the Broadcast Service, 2,062 inspections resulted in the issuance of 1,385 official violation notices, while 5,619 inspections in the Maritime Mobile Service produced 2,444 notices of all types.

The Bureau's monitoring network issued a total of 13,542 violation notices to licensees in the many radio services regulated by the Commission, and developed 1,128 sanction cases in connection with repeated or willful violations. The network also worked on 2,437 major cases of interference reported by licensees, commercial companies, and U. S. and foreign governments. Additionally, the monitoring network received 387 requests for assistance from ships and aircraft. In 18 instances of actual emergencies, direction finder "fixes" enabled search-and-rescue organizations to locate the distressed ships and aircraft.

During the year, 17 new transmitting structures 1,000 feet or more in height were constructed while one in previous use was dismantled for a net gain of 16. There are now 255 such structures.

Frequency Allocation and Use

To implement decisions to provide for the frequency needs of the land mobile services, rules were adopted on June 17, 1971, to allocate frequencies, on a shared basis with TV, to land mobile services in one or two of the lower seven UHF-TV channels in the ten largest urban areas of the United States (Docket 18261). Studies were continued on providing long term relief through frequencies reallocated to the land mobile services in the 900 MHz region of the spectrum (Docket 18262).

Preparatory work was completed for the World Administrative Radio Conference on Space Telecommunications (WARC-ST), which was convened on June 7, 1971, at Geneva.

Frequencies in the 216-220 MHz band were made available to the Industrial Radio Service for telemetering and telecommand operations on a secondary basis to Government radiolocations.

In the band 2500-2690 MHz, final action was taken to allocate 28 TV channels to the Instructional Television Fixed Service, and three TV channels to the Safety and Special Radio Services for operational fixed purposes.

Rule making was proposed to permit aural broadcasting studio transmitter links to operate in the 2150-2160 MHz band, to compensate for 5 MHz of spectrum space lost in Docket 18262.

To facilitate efficient sharing between Government and non-Government users of radio, the Commission coordinated with the Office of Telecommunications Policy (OTP) more than 3,300 specific frequency or band assignments and took action on over 390 reports of harmful interference between Government and non-Government radio stations.

In maintaining the master list of all existing non-Government frequency assignments, the FCC processed 112,000 frequency assignment actions.

Frequency coordination procedures, to minimize interference across the United States-Canadian border, entailed exchange of 5,200 letters and telegrams with Canada. Interference, as a result, was limited to 14 cases.

To obtain international recognition of U. S. frequency assignments, the FCC submitted 4,695 assignment notifications to the International Frequency Registration Board of the ITU. Over 34,300 monitoring observations were forwarded to the ITU in support of its international program for compiling current worldwide frequency usage data.

Of the more than 535 international cases of harmful interference dealt with by the Commission, 400 appear to have been resolved. As part of an international program to anticipate and avoid many cases of interference, the FCC forwarded to the countries involved over 6,300 reports of improper technical and operating practices by their radio stations.

The Commission prepared for 40 international conferences and furnished two delegation chairmen, one vice chairman, one senior advisor and 69 other representatives for delegations.

Technical, Research, and Laboratory

Organization of the Spectrum Management Task Force to develop and carry out the Commission's decentralized frequency management program has been completed, and the first Regional Center was established in Chicago on April 30, 1971.

Commission engineers participated in industry and professional association meetings and in international conferences on improvements in color TV picture quality, criteria for ship radars, radio interference control techniques, and satellite broadcasting. Industry and Government meetings included a wide range of technical matters such as vehicle location systems, broadcast interference problems, downed-aircraft beacon technical standards, cable television frequency allocations, and microwave performance standards.

A technical study of performance characteristics for radio and television receivers was completed to provide a basis for state-of-the-art performance regulations.

Tentative technical standards were developed for several proposed new radio devices including field disturbance sensors, radio controls for door openers, and biomedical telemetry equipment.

New procedures and limits for measuring oscillator radiation from FM and TV broadcast receivers were established.

Members of the TV Tuning Panel provided guidance to manufacturers of television receivers to assist them in meeting new rules requiring comparable tuning facility in VHF and UHF TV receivers.

An initial propagation model was developed for use by the Commission's Spectrum Management Task Force in the computerized preparation of land mobile radio service areas.

A report was published on measurements accumulated over a number of years by Commission monitoring stations on skywave field strengths in the Standard Broadcast frequency band.

Curves have been developed defining distances at which hazardous exposure from antennas of high-powered FM and TV broadcast stations might be expected. A report on these curves and the rationale used in their development is forthcoming.

A detailed analysis was completed of the precipitation and off-path scattered interference data obtained during the 1966-67 POPSI Project.

Commission personnel served as members of a steering group on the NASA/OTP/ITS radio interference propagation program.

Frequencies near 900 MHz were found to be useful for FM land mobile voice communications, provided the radiated power is

several decibels higher than that used at 450 MHz.

Work was completed on measurement systems which may be required in type approval of AM broadcast directional antenna monitors.

Type approval test activity continued to expand, particularly in connection with microwave ovens for home food preparation.

Seven hundred six applications for type acceptance were granted. Through type acceptance, the Commission assesses the capability of radio transmitting equipment for meeting the technical standards for licensing in the radio services.

Certificates covering 5,017 different models in six categories of equipment were filed with the Commission to certify that the equipment complies with required interference suppression.

During 1971, 912 applications for radio research and development authorizations were processed.

Emergency Communications

Detailed State EBS Operational Plans were completed and approved by the Commission for Massachusetts, Texas, Louisiana, Oregon and Washington.

Random closed circuit tests of the Emergency Broadcast System were authorized December 2, 1970.

An Emergency Action Notification (without an attack warning) was transmitted in error on February 20, 1971. A formal investigation was initiated on February 22, 1971, and temporary procedures established to avoid further occurrences. A report indicating how various licensees had reacted to the notification was submitted on April 9, 1971. The matter remains under study.

The formal recommendation of the Special NIAC Working Group on Alerting of the General Public was received by the Commission on April 8, 1971. A two-tone transmission standard was recommended.

A draft revision of the priority system for the use and restoration of leased intercity private line services was forwarded to the Commission on June 30, 1971.

On February 4, 1971, the Industrial Communications Services Subcommittee of NIAC recommended an interim basic Industrial Communications Emergency Plan to the Commission.

On March 2, 1971, the Aeronautical Communications Services Subcommittee of NIAC recommended a Basic Aeronautical Emergency Communications System Plan to the Commission.

Legislation, Litigation and Enforcement

Legislation

The Commission testified or commented on 25 legislative matters pending before Congress this fiscal year.

It proposed legislation to make it a Federal crime to assault, kill or intimidate an FCC employee performing investigative or enforcement functions; to broaden provisions for forfeitures, and to amend the Act to permit the FCC to grant licenses to aliens in the Safety and Special and Experimental Radio Services.

Congress adopted a law extending financing for the Corporation for Public Broadcasting.

Litigation

The Commission participated in 162 court proceedings, 90 of which originated during the fiscal year. The Supreme Court declined to review seven cases seeking reversal of Commission actions. In the courts of appeal, the Commission was affirmed in 32 cases and reversed in 10.

Of particular significance were rulings by appeals courts upholding the FCC's rule limiting prime time programing by TV networks, and the Commission's license denial to WHDH, Boston, and grant of a construction permit for the channel to another applicant. The appeals courts also ruled that the FCC lacked statutory authority to require cable systems to originate programing (the case is being appealed to the U.S. Supreme Court); and rejected the FCC's January 1970 renewal policy of granting renewal to licensees who had rendered "substantial service."

Several appeals court decisions required full hearing on certain license challenges and broadcast programing format changes. The court agreed with the Commission that Armed Forces recruiting commercials are not controversial issues entailing right of reply. The court reversed the FCC's finding that a broadcaster does not have to carry paid union responses to employer advertisements during a labor dispute.

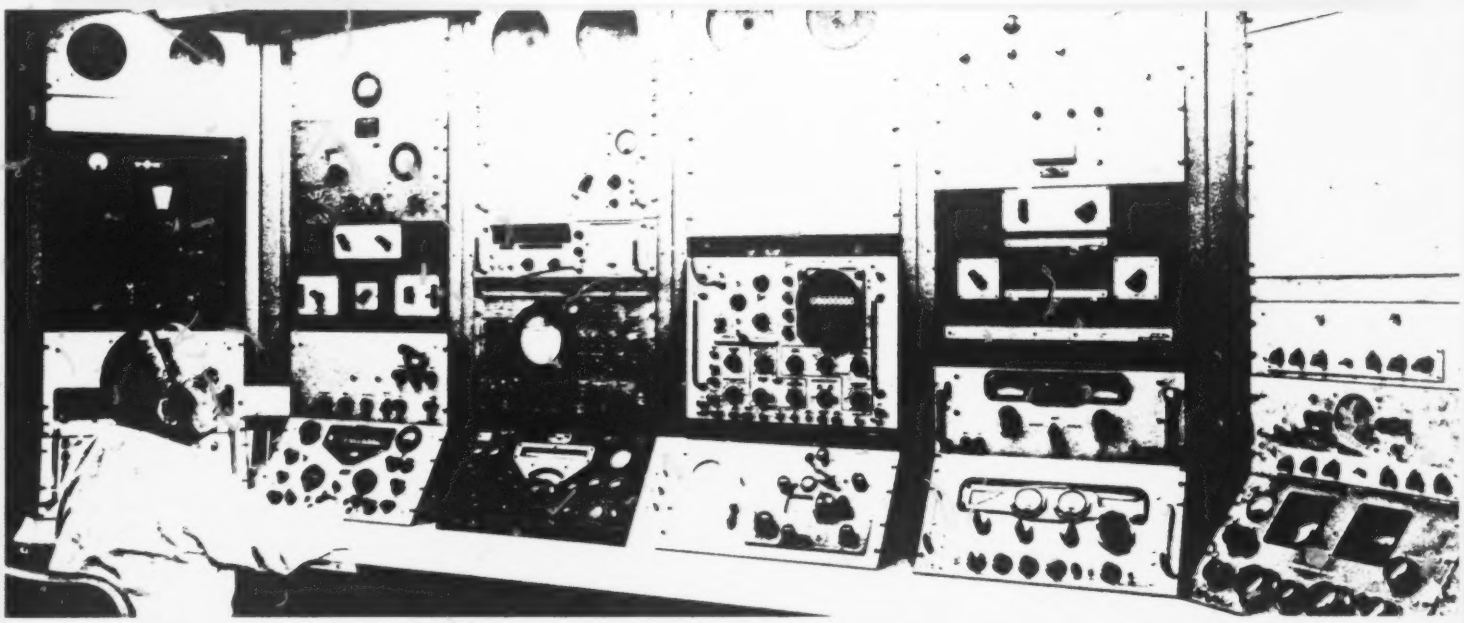
One criminal case—involving sale of unauthorized radio frequency devices—was referred to the Department of Justice for prosecution. Two criminal cases were closed; one by conviction, the other by a plea of guilty. At year's end, six criminal cases and three civil injunction actions, all for unlicensed operation of a citizens band radio, were pending. One civil forfeiture case was referred to Justice for judicial enforcement.

Hearing Examiners

The Office of Hearing Examiners issued 2,055 orders in interlocutory matters (subject to further review) in fiscal year 1971. Formal hearings were conducted in 113 proceedings and hearing conferences were held in 203. Hearings were completed in 76 proceedings and 64 initial decisions were issued disposing of 97 applications.

In a rule change designed to expedite hearings, the Commission authorized hearing examiners to act on joint requests by broadcast applicants for approval of pay-off agreements in such matters as merger, withdrawal or dropout of applicants in competitive proceedings. Authority to act on such requests had previously been vested in the Review Board.

The new rules also permit appeals



from examiners' interlocutory rulings only with the examiner's approval. Parties had been able to appeal any ruling by an examiner without prior consent.

The new rules had been proposed by the Procedure Review Committee. They apply to joint requests and appeals filed on or after November 13, 1970.

Docket Cases

Hearing Cases

There were 401 cases designated for hearing during fiscal 1971. Safety and Special Radio Services proceedings on applications and revocation of licenses accounted for 73 cases. There were 253 hearings for Broadcast facilities: 81 AM, 110 FM, 62 TV.

Hearings were held on 34 Common Carrier applications, 15 Cable Television applications and 1 FEB application as well as 25 miscellaneous cases.

At the close of the fiscal year there were 749 cases pending—413 in Broadcast matters.

Non-Docket Rule Making Petitions

Some 172 petitions for rule making were filed—109 of which were concerned with Broadcast matters (2 AM, 75 FM, 18 TV, 14 other broadcast); 3 Cable TV, 3 Common Carrier and 56 Safety and Special Radio Services, and 1 miscellaneous.

Commission

A new fee schedule was adopted, effective August 1, 1970. It was designed to produce about $24.9 million in revenue.

Commissioner Robert Wells, who had been serving the remainder of Commissioner James J. Wadsworth's term, was appointed to a full seven-year term. (Commissioner Wells resigned November 1, 1971. On November 30, President Nixon nominated General Counsel Richard E. Wiley to serve on the Commission for the remainder of Commissioner Wells' term.)

Commissioner Thomas J. Houser was appointed to a term ending June 30, 1971. He was named Spectrum Management Commissioner and chairman of the PBX Standards Advisory Committee. (Rep. Charlotte Reid, (R. Ill.) was nominated to succeed Commissioner Houser, who continued to serve until October 5, 1971, at the request of the President. Mrs. Reid was sworn in as Commissioner on October 8, 1971.)

Commissioner Kenneth A. Cox retired from the Commission at the end of August 1970.

John M. Torbet was appointed Executive Director, replacing Max D. Paglin, named Special Assistant for Administrative Procedure.

Richard E. Wiley was appointed General Counsel. He replaced Henry Geller, who was assigned to the post of Special Assistant to the Chairman for Planning.

Raymond E. Spence was designated Chief Engineer following the death of William H. Watkins.

Sol Schildhause was appointed Chief of the Cable Television Bureau.

Francis R. Walsh was named Broadcast Bureau Chief. (Assistant Chief Wallace E. Johnson took over the post in August 1971, following Mr. Walsh's resignation.)

Horace E. Slone retired as a member of the FCC Review Board.

The appropriation for the Commission for fiscal 1971 was $26,623,751. The staff averaged 1,552 employees—12 more than the previous year.

Filing fees totalled $15,948,180. These funds all went to the U. S. Treasury. Applications received totalled 689,691, a decrease of 219,708 over fiscal year 1970. (The total number of applications for 1971 does not include 516 Cable TV filings.)

Highlights of Fiscal Year 1971

This summary is based on releases by the Federal Communications Commission during the fiscal year July 1, 1970 through June 30, 1971. Dates indicate when actions were announced.

1970

July 2

Comparative hearing for Channel 4, Los Angeles terminated with withdrawal of competing application.

Western Union conversion of company offices into agencies to be investigated.

Renewal applications for WXUR and WXUR-FM, Media, Pa., denied.

New FCC fee schedule adopted.

July 15

Procedures and policies proposed for handling microwave applications for specialized common carrier services.

July 16

WCCO, WCCO-TV, Minneapolis, Minn., renewals granted without hearing.

Rules adopted to license medical associations in Emergency Radio Service.

July 24

Study of impact of CATV on local television stations released.

July 28

Acquisition of Teletypewriter Exchange (TWX) Service by Western Union from AT&T authorized by Commission.

August 5

Merger of major CATV firms—TelePrompTer Corp. and H&B American Corp.—approved by Commission.

August 6

Commission ruled that broadcasters may decline to sell time for comment on controversial public issues but may not arbitrarily refuse to sell time for solicitations of political funds.

August 7

Broadcast Conglomerate Study Task Force authorized to proceed with general inquiry after completion of pilot study.

Five-year license terms set for Safety and Special Radio Services.

August 10

Equal employment opportunity rules adopted for common carriers.

August 14

Major TV networks must make prime time available for "one more uninterrupted opportunity" for reply to five presidential addresses on Vietnam, Commission ruled in response to fairness complaint; CBS required to give Republicans time to answer Democrats' **Loyal Opposition** program.

August 18

Revised Political Broadcast Primer issued.

August 25

First pay-TV technical system approved by Commission.

August 26

Hearing ordered on possible misrepresentations of expenses by D. H. Overmyer in sale of five TV stations.

August 28

KNBC(TV), Los Angeles, Calif., renewal granted for remainder of license term.

August 31

Commissioner Kenneth A. Cox announces retirement from Commission.

September 4

Interim operator authorized for Channel 3, Jackson, Miss.

September 11

Radio call boxes for emergency use authorized on regular basis.

September 14

Francis R. Walsh named Broadcast Bureau Chief.

September 21

Chairman Burch testifies before House Communications and Power Subcommittee on resolutions to halt production and distribution of films tending to degrade or demean racial, religious or ethnic groups.

September 25

Richard E. Wiley appointed General Counsel; Henry Geller named Special Assistant to Chairman for Planning

October 8

Common carriers required to give public actual notice of increased charges or discontinuance or reduction of services.

October 14

Rules prohibiting network TV program syndication stayed.

October 18

Revised separations procedures for determining telephone company rates adopted.

November 6

Hearing procedures revised to permit Hearing Examiners to act on requests for approval of agreements between parties.

November 13

Court of Appeals for District of Columbia Circuit affirmed Commission action granting CP for Channel 5, Boston, Mass., to Boston Broadcasters, Inc., competing applicant, and denying WHDH, Inc., renewal application.

November 18

Rules amended to implement new U.S.-Mexico AM broadcast agreement.

December 3

Procedures for random closed-circuit tests of EBS adopted.

Star Stations' license renewal applications set for hearing.

Commissioner Robert E. Lee testifies before House Subcommittee on Communications and Power on proposed amendment to Communications Act to permit certain aliens to be licensed to operate amateur radio stations.

December 7

Commission action approving experimental MAILGRAM Service by Western Union affirmed by U.S. Court of Appeals for District of Columbia Circuit.

December 9

Cut-off date for CATV stations in Business Radio Service band extended for five years.

December 10

AT&T fined $18,550 for failure to file tariff for services to Department of Defense.

International communications carriers asked to make studies of overseas services.

TV networks ordered to report on program distribution practices.

December 15

Broadcasters to determine whether to carry contrasting views after presentation of anti-smoking spots, Commission ruled.

December 17

TV broadcasters asked to provide program aids for viewers with impaired hearing.

December 21

Final proposals for 1971 ITU World Administrative Radio Conference for Space Telecommunications approved.

1971

January 6

Resolution on death of Chief Engineer William H. Watkins, January 3, adopted by Commission.

January 7

The U.S. Court of Appeals for the District of Columbia Circuit affirmed Commission action denying license renewal of Station WNJR, Newark, N.J.

January 15

Effective date of increase in interstate telephone rates postponed by AT&T at FCC request pending outcome of hearing; company files for reduced amount.

January 21

Study initiated by Commission into TV programs for children including advertising content and methods of presentation.

Hearing set on AT&T interstate rate increase request.

January 22

John M. Torbet named Executive Director; succeeds Max D. Paglin who was appointed Special Assistant for Administrative Procedure.

January 25

Sol Schildhause appointed Cable Television Bureau Chief.

Hearing set on employment discrimination complaint against AT&T.

February 2

Spectrum Management Task Force established by Commission.

February 9

Increases found reasonable in Western Union rate case; further increases restricted.

February 10

31 broadcast conglomerates forwarded questionnaires to provide FCC with information on their operations.

February 12

Primer issued to clarify requirements on ascertainment of community needs by broadcast applicants.

February 19

New renewal rules and policies proposed by Commission.

February 20

Broadcast stations queried on responses to erroneous emergency action notification on Emergency Broadcast System.

February 25

Transfer of nine broadcast stations from Triangle Publications Inc. to Capital Cities Broadcasting Inc. authorized by FCC; sale price $110 million.

February 26

Temporary procedures set to avoid erroneous emergency action notifications on Emergency Broadcasting System.

Western Union program to replace company offices in small and medium-sized communities with agency branches approved by Commission.

Appointments of Commissioners Robert Wells and Thomas J. Houser to Commission confirmed by Senate.

March 1

One-to-a-market rules deleted for AM-FM combinations; will apply only to VHF-radio combinations.

March 2

Chairman Burch testifies on proposed political broadcasting bills before Senate Commerce Committee.

March 5

Commission public notice cites licensee responsibility to review records before broadcast.

March 11

Oral argument on proposed CATV rules begins with series of panel discussions at National Academy of Science.

March 17

New rules adopted to permit remote control of VHF TV stations.

March 18

Rules adopted for computer communications services.

Order granting interim operating authority for Channel 3, Jackson, Miss., affirmed by U.S. Court of Appeals for District of Columbia Circuit.

March 24

Commissioners Robert Wells and Thomas J. Houser sworn in as Commission members; Commissioner Wells appointed to full term, Commissioner Houser to serve term ending June 30, 1971.

Rules adopted to require auxiliary power source on Great Lakes cargo vessels.

March 25

VHF-TV station affiliations with more than one network restricted by FCC.

April 6

Raymond E. Spence appointed Chief Engineer.

May 28

WCFV, Clifton Forge, Va., denied license renewal.

Western Union International fined $28,500 for failure to file tariff.

June 2

Western Union Telegraph Company application for emergency discontinuance of service for all public telegraph offices and agencies because of strike granted by Commission.

June 3

AT&T ordered to expedite construction of network for Corporation for Public Broadcasting; charges set at $4.9 million annually.

Guidelines announced for admission of amendments to community ascertainment filings in broadcast hearings.

CBS spin-off of syndication and CATV operations to Viacom International, Inc., authorized by Commission.

June 7

Western Union authorized to file for $28 million rate increases; revised delivery standards including refund procedures required.

AT&T request for withdrawal of applications for intercity PICTUREPHONE service granted.

June 9

New class of education services established in Instructional Television Fixed Services.

June 11

Inquiry announced into effectiveness of Fairness Doctrine and related public interest policies.

June 14

Commission order denying requests for reconsideration of Policy Statement on Comparative Hearings Involving Regular Renewal Applications reversed by U.S. Court of Appeals for District of Columbia Circuit.

June 15

The U.S. Supreme Court denied a petition by Lamar Life Broadcasting Co., for stay of Commission order requiring it to halt operation of Channel 3, Jackson, Miss, and turn over facilities to interim operator.

U.S. Supreme Court declined to review Commission Decision, released January 23, 1969, denying renewal application of WHDH, Inc., for Channel 5, Boston, Mass., and granting application by Boston Broadcasters, Inc., for new construction permit.

Chairman Burch testifies on cable television before Senate Communications Subcommittee.

June 16

Chairman Burch testifies on political broadcasting bills before House Subcommittee on Communications and Power.

June 17

Rules adopted to implement sharing of UHF-TV channels 14 through 20 by land mobile radio stations.

June 18

Chairman Burch testifies before House Small Business Subcommittee on advertising industry self-regulation programs.

Political broadcasting expenditures up 85 percent in 1970, FCC reports.

June 21

Stations KWLG, Wagoner, Okla., KVIN, Vinita, Okla., denied license renewal.

U.S. Court of Appeals for District of Columbia Circuit affirmed FCC ruling denying fairness complaints on Armed Forces recruiting announcements.

June 23

Chairman Burch testifies on FCC budget requirements before Senate Appropriations Committee.

June 24

New Atlantic cable with 3,500 circuits called for by Commission; AT&T proposal for 845-circuit cable dismissed.

June 25

Rules adopted for use of single sideband frequencies in maritime mobile service on Great Lakes.

June 29

Chairman Burch testifies before House Subcommittee on Communications and Power on bill to set up joint Federal-State board to establish uniform procedures in determining common carrier expenses.

Authorized Stations—June 30, 1971

Safety and Special Radio Services

Aircraft Group	131,410
Aeronautical and Fixed Group	6,269
Aviation Auxiliary Group	945
Aviation Radionavigation Land	1,319
Civil Air Patrol	18,385
Total Aviation Services	158,328
Ship Group	213,300
Coastal Group	2,632
Marine Auxiliary Group	139
Marine Radar Land	84
Alaskan Group	2,372
Total Marine Services	218,527
Police	17,543
Fire	10,129
Local Government	12,048
Highway Maintenance	6,197
Forestry Conservation	4,903
Special Emergency	6,900
State Guard	6
Total Public Safety Services	[1] 57,726
Special Industrial	26,957
Business	82,662
Power	13,634
Petroleum	8,305
Manufacturers	3,187
Forest Products	3,143
Industrial Radiolocation	455
Motion Picture	52
Relay Press	268
Telephone Maintenance	1,483
Total Industrial Services	[1] 140,146
Railroad	6,751
Taxicab	3,540
Automobile Emergency	2,324
Interurban Passenger (Motor Carrier)	91
Interurban Property (Motor Carrier)	2,000
Urban Passenger (Motor Carrier)	134
Urban Property (Motor Carrier)	2,011
Total Land Transportation Services	[1] 16,851
Citizens—Class A	4,908
Citizens—Classes B, C and D	863,105
Total Citizens Services	868,013
Amateur	277,743
R.A.C.E.S.	8,188
Disaster	187
Total Amateur and Disaster Services	286,118
Total Safety and Special Radio Services	1,745,709

Common Carrier Services

Point-to-Point Microwave	6,482
Local TV Transmission	57
Rural Radio	798
Developmental	173
Domestic Public Land Mobile	9,318
Point-to-Point Telegraph-Telephone (International)	8
Point-to-Point Telegraph (International)	9
Point-to-Point Telephone (International)	7
International Control-fixed	7
Satellite Communication:	
Earth	13
Satellite	15
Total Common Carrier Services	16,887

Broadcast Services

Standard (AM)	4,396
Frequency Modulation (FM)	2,368
Educational (FM)	520
UHF Commercial TV	269
VHF Commercial TV	527
UHF Educational TV	127
VHF Educational TV	90
Translator (TV) (UHF-VHF)	2,772
UHF Signal Booster	9
Experimental (TV)	6
Auxiliary (TV)	2,526
International	3
Developmental	4
Remote Pickup	12,250
Aural, STL and Intercity Relay	509
Low Power	187
Instructional TV Fixed	175
Total Broadcast Services	26,738
Research and Developmental	1,068
Community Antenna Relay	120

[1] This is the first year in which station data were available from machine records.

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Federal Communications Commission, Washington, D.C. 20554